Legal Barriers and the Impact of Litigation on Drilling and Production

Center for Energy Studies Louisiana State University

Monday, October 27, 2003

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Offshore Drilling and Production

Offshore Cases

Other Creative Plaintiff Suits

MMS – A Heads
 Up

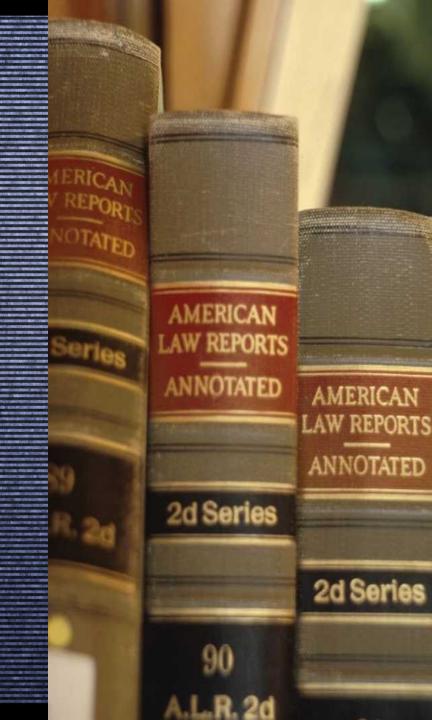


Other Creative Plaintiff Suits

ASBESTOS

- Drilling mud

- Brake pads



Industry Cut Backs

- Fact: High commodity prices continue
- Fact: Downsizing and consolidation continue

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- Concern: Are profit margins driving this trend
 - **Concern:** Is industry losing needed expertise
 - Bottom Line: Safety and environmental protection cannot be compromised

Chris Oynes, Mineral Management Service, "A review of Deepwater Operations" at the Deepwater Operations Forum, Sept. 30-Oct. 1, 2003; Galveston, Texas



2004 MMS Technology Study Requests

Those focused on deepwater:

Risk analysis of subsea vs. surface processing-handling produced water.

Assess subsea system maintenance and intervention-including criteria for decision to shut in.

Risk analysis / assessment of DW subsea gas lifting – including effects of induced thermal stress on risers.

Chris Oynes, Mineral Management Service, "A review of Deepwater Operations" at the Deepwater Operations Forum, Sept. 30-Oct. 1, 2003; Galveston, Texas



2004 MMS Technology Study Requests (cont'd)

Those focused on deepwater:

- Assess composite repair methods for risers, structural members and FPSOs.
- Assess reliability of large diameter steel compliant risers in ultra-deepwater.
 - Fatigue, corrosion and wear
- Assess technology for automatic controlling and testing systems for mainline valves on subsea pipelines.

From 8/13/03 MMS Request for white papers for research proposals

Chris Oynes, Mineral Management Service, "A review of Deepwater Operations" at the Deepwater Operations Forum, Sept. 30-Oct. 1, 2003; Galveston, Texas

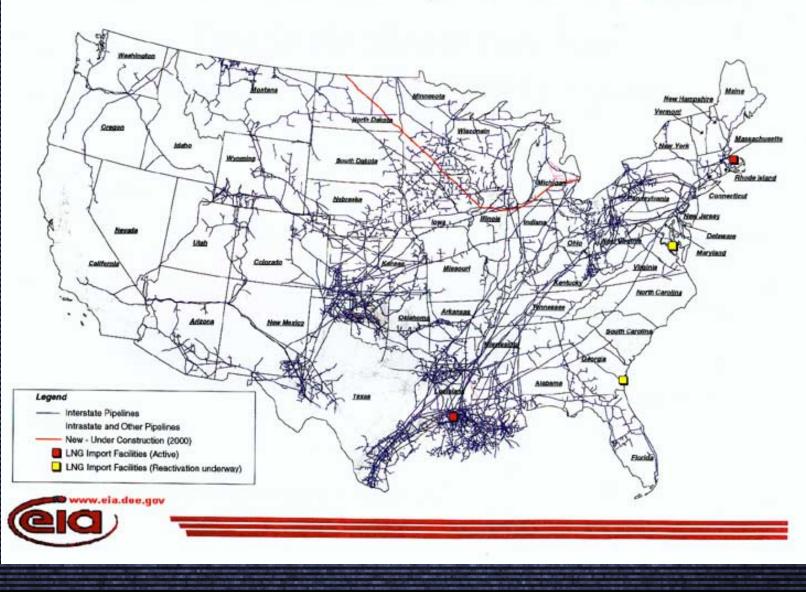


Onshore Drilling and Production

Pipeline Infrastructure

 Regulatory Impediments to Construction





LNG Facilities

Federal Regulations

Basis for Federal Authority

State Regulation



2003 Environmental Legislation

- Air permitting
 - **Groundwater remediation**
- Liability for hazardous substance remedial action
- . LDEQ enforcement
- Risks from living in close proximity to chemical plants
 Environmental health surveillance system



2003 Tax Issues 81.825.1

81.824.05

Legislation

Tax Decisions

Pending Issues

2003 Tax Legislation

- Uniform local sales tax code
- Tangible personal property
- Severance tax/source of piece data
- Constitutional amendment/drilling regs tax exemption

 Property tax procedure pipeline compromise/disputed tax payments



2003 Tax Decisions

. Entergy v. Kennedy

. Citgo v. State

Hanover Compressor v. Dept. of Revenue



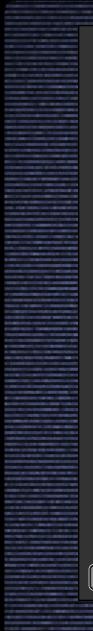
2003 Pending Tax Issues

 Ad valorem taxation of subsurface oil and gas equipment

 Interstate pipeline ad valorem taxes

 Offshore/onshore classification of oil & gas wells







To Kill a Mockingbird

Perry Mason

"[Mason] was not only competent like Joe Friday, he was a nice guy too"

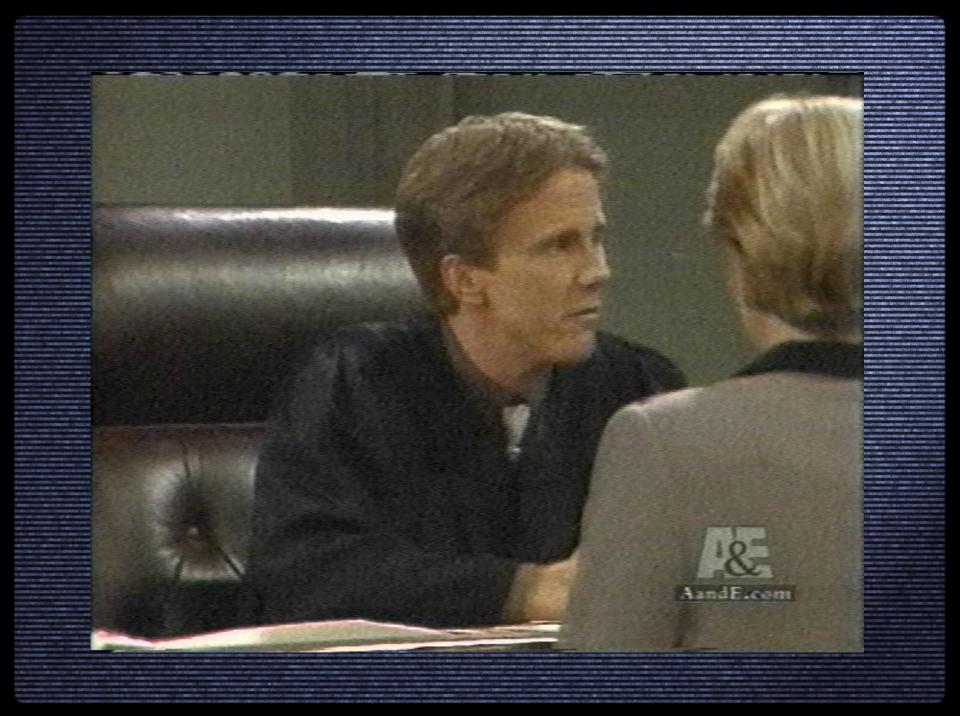


The Defenders

"One of the main purposes of the show [was] to clarify the difference between morality and justice. Morality is the way you feel about an act. Justice is a rational interpretation of the facts."

E.G. Marshall







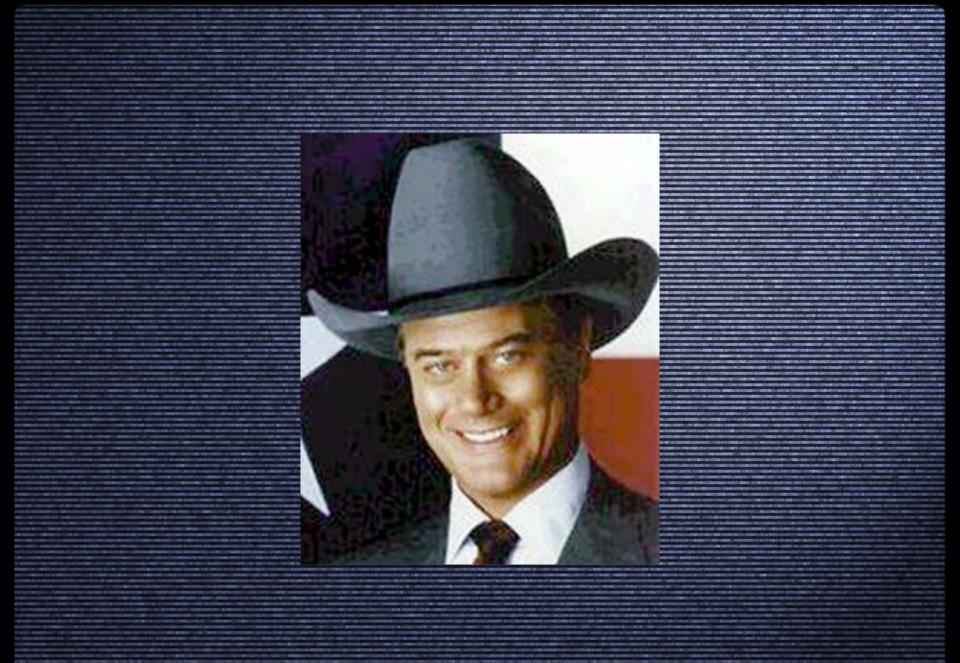


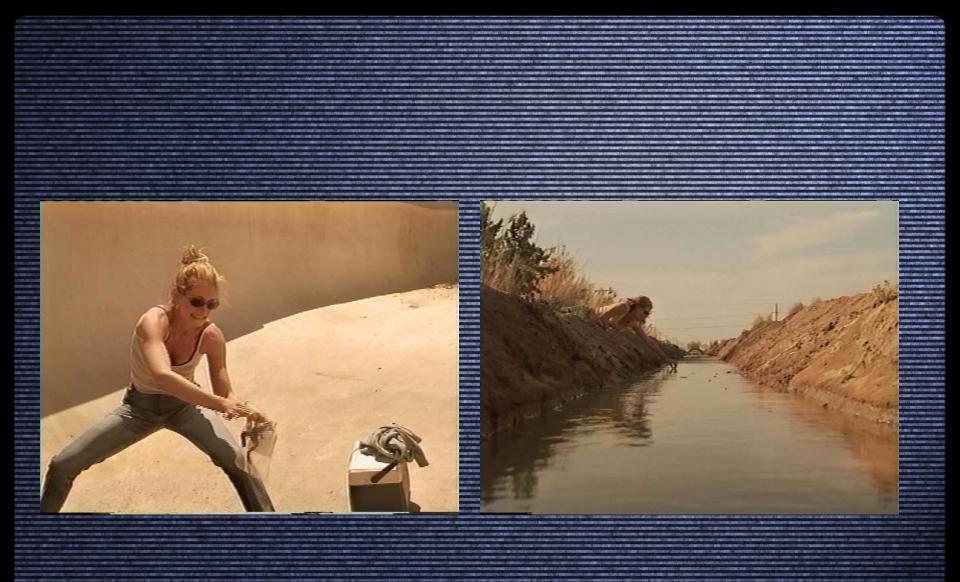












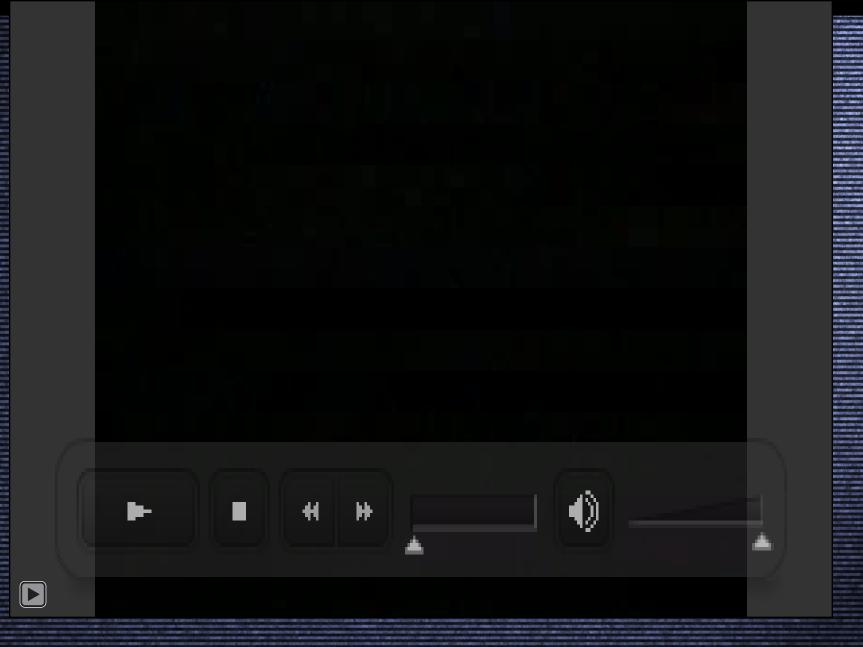




Swimsuit



Swimsuit



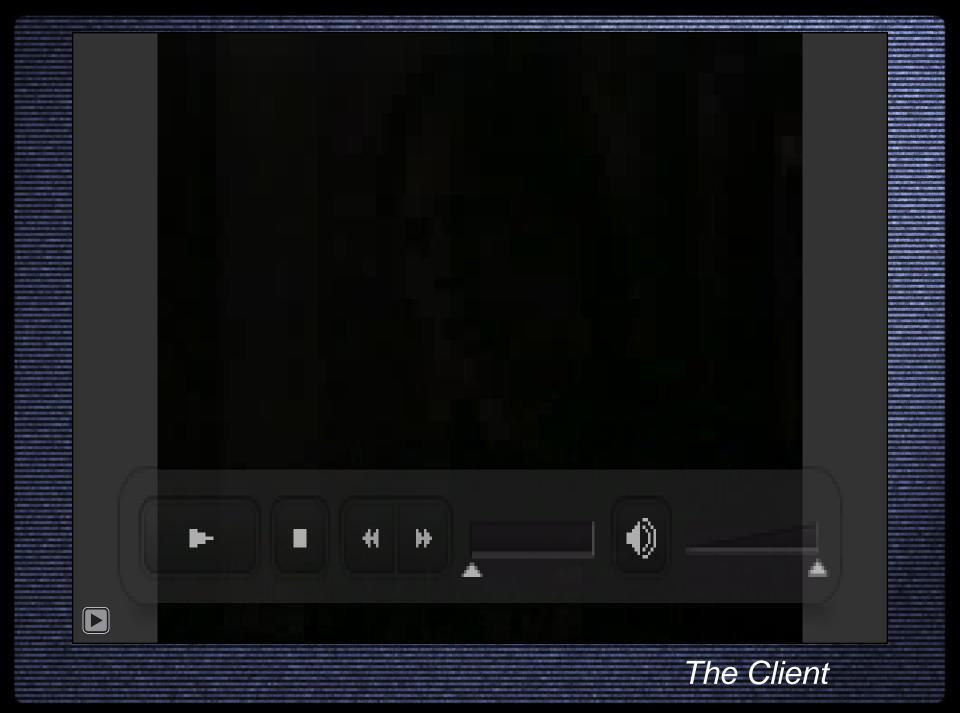
Erin Brockovich

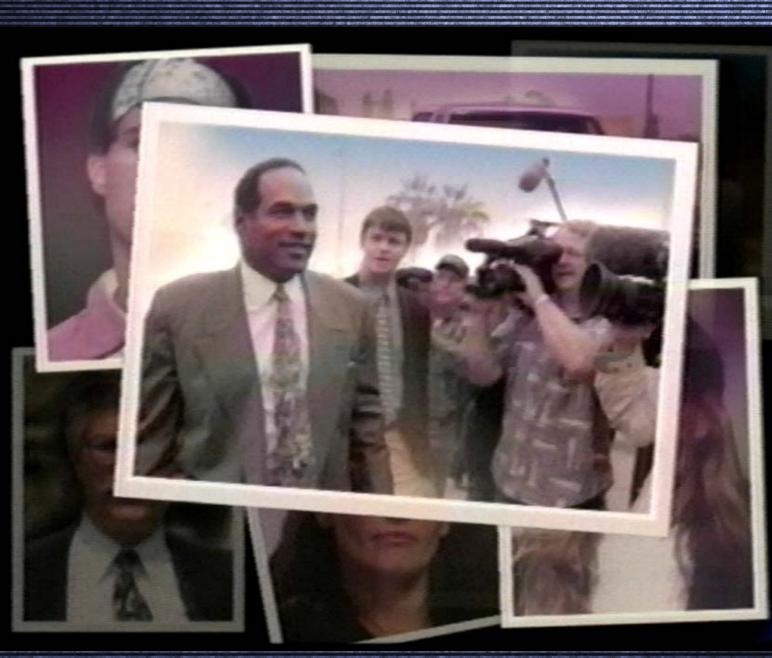
Environmental / Oilfield Decisions

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- Simoneaux v. Amoco
 Corbello
- St. Martin v. Mobil
- Terrebonne Parish School Board v. Castex Energy
- Abramson v. Florida Gas Transmission
- Hazelwood Farm v. Liberty Oil & Gas

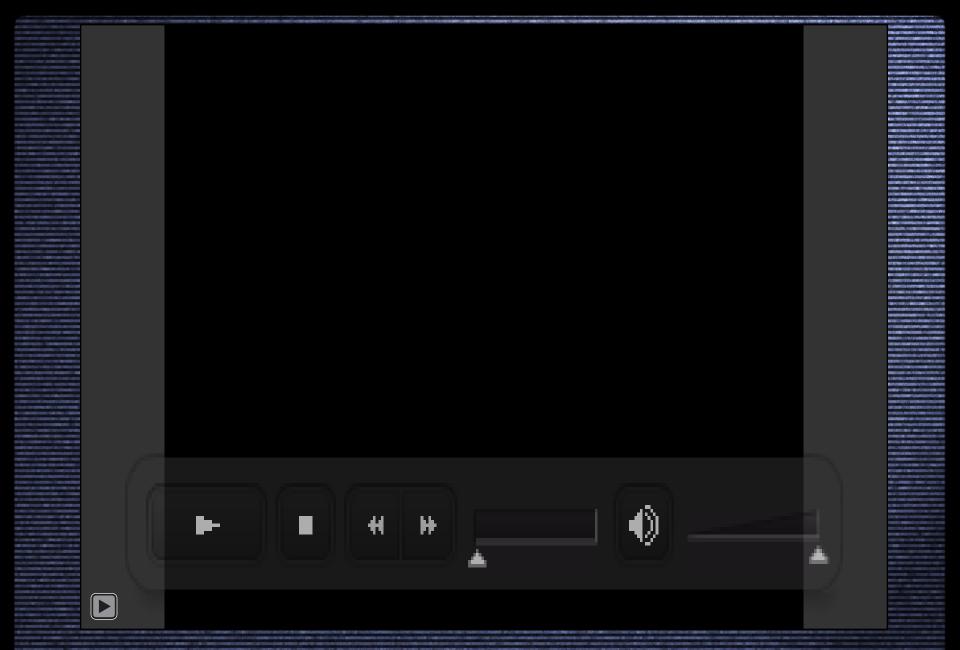








ABC News



Ghosts of Mississippi

